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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 17, 2000

APPLICATION OF

01 COMMUNICATIONS OF VIRGINIA, LLC

CASE NO. PUC000028

For certificates of public
convenience and necessity to
provide local exchange and
interexchange telecommunications
services

FINAL ORDER

On February 8, 2000, 01 Communications of Virginia, LLC ("01 Communications" or "Applicant"), filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated March 22, 2000, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to 01 Communications' application. On April 26, 2000, the Staff filed its report finding that

01 Communications' application was acceptable and in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). The Staff recommended that the Commission grant certificates to 01 Communications to provide both local and interexchange telecommunications services in Virginia subject to the conditions enumerated in the report.

On April 27, 2000, 01 Communications filed a Motion to Extend Procedural Dates stating that its parent company, 01 Communications, Inc., was negotiating a transaction in which the ownership of the Applicant would be transferred to another corporation. 01 Communications requested that the procedural schedule be suspended until it could supplement its application so as to provide the Commission with complete information regarding 01 Communications' ownership and the assets available to the Applicant for its business.

In an Order dated April 28, 2000, the Commission granted the Applicant's motion to suspend the procedural schedule but retained the May 11, 2000, hearing date for the purpose of hearing testimony from any public witnesses. At the May 11, 2000, hearing, no public witnesses appeared, and the Applicant's proof of notice and publication was entered into the record.

On July 25, 2000, 01 Communications filed an Amendment to the Application. The Amendment stated that 01 Communications is

now a subsidiary of, and is wholly owned by, its sole member company, SpectrumLink Networks, Inc. The Applicant's name, proposed service territory, and proposed services have not changed.

On August 15, 2000, the Commission entered an Order Setting New Procedural Dates that directed the Staff to file a supplemental report and scheduled a public hearing to receive evidence relevant to O1 Communications' application. On October 16, 2000, the Staff filed its supplemental report finding that O1 Communications' application was in compliance with the Local and IXC Rules. Based upon its review of O1 Communications' amended application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to two conditions: (1) any customer deposits collected by O1 Communications be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) O1 Communications shall provide audited financial statements of its parent, SpectrumLink Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of its initial tariff.

A hearing was conducted on November 1, 2000. At the hearing, the application and accompanying attachments, the amended application, and the Staff Report and the supplemental

Staff Report were entered into the record without objection. O1 Communications agreed to the recommendations and conditions contained in the Staff Reports.

NOW UPON CONSIDERATION of the application as amended and the Staff Reports, the Commission finds that O1 Communications' application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that O1 Communications may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) O1 Communications of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-114A, to provide interexchange telecommunications services subject to the restrictions set forth in the IXC Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) O1 Communications of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-519, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, O1 Communications may price its interexchange telecommunications services competitively.

(4) O1 Communications shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(5) Should O1 Communications collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(6) O1 Communications shall provide audited financial statements of its parent, SpectrumLink Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of O1 Communications' initial tariff.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.